

Raymond Green

20 February 1974

MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING TO DISCUSS
THE DINING CAR CONCEPT

PRESENT: Lowe Ashton
Gordon Mendenhall
James Ritchie
Dr. Raymond Green
Del Wallengren
Chick Nielsen
Also Present: Rey Arnold

Minutes of the meetings held February 7 and 12, 1974 were approved as mailed to directors.

Lowe Ashton reported on a series of contacts to indoctrinate Rey Arnold and get the 1974 season started including:

Rick Brown: To determine if a short run to the dam were possible under conditions of the lease.

Jim Ure: To request an outline of an advertising plan consistent with the reduced budget.

State Park Commission: To solicit opinion on the dining car concept.

Jim Berry: To outline plans for the coming season.

Lowe Ashton indicated special charters would commence in the latter part of April; weekend scheduled runs on May 11, 1974; daily runs May 25, 1974 through September 2, 1974 and weekend scheduled runs through October 6, 1974.

Lowe Ashton introduced the subject of dining car service (using the diner car) on at least one scheduled run daily and a scheduled night train including engine, diner, lounge car, chair car, open car, and caboose on Friday and Saturday evening throughout the season. The train would depart at 7:30 p.m. and run part way to the dam and back. Capacity, with 48 seated for dinner each way, would be 96. The railroad would get \$4.00 per individual and a share of the lounge car profits. Tickets would be in the \$20-25 range per couple. The Company would provide a basic train crew. The decor, menu, crew, etc., would be first class. On the daytime run, waitresses, busboys, etc., would be in uniforms compatible with the remainder of the train crew. The daytime tab would be in the vicinity of \$8.00 with \$4.00 to the railroad. All seats would be by reservation. The railroad would bring the diner up to satisfactory repair and gut the hospital car. Del Wallengren would supply the capital to redecorate the lounge car. Del Wallengren would also oversee renovation of both cars. Del Wallengren would be given a contract of sufficient duration to recoup his investment plus a return or be bought

NOTICE OF BOARD OF DIRECTOR'S MEETING

March 7, 1974

6:00 p.m. in Ashton Oil Office
40 East 1st North
Heber City, Utah

AGENDA

1. Approve Minutes of previous meeting
2. Report on Bridal Veil Falls
3. Operating budget
4. Restoration/renovation priorities--rolling stock, track
5. Diner/lounge restoration budget
6. Contract with Del Wallengren
7. Set date for next meeting
8. Other business



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

Dr. Raymond Green,
45 So. Main St.
Heber City, Utah

Dear Doctor,

I have been gone for a week, and spent a bunch of money while
gone, particularly Rey's salary and the note payment, and need
the funds from the directors.

Would appreciate hearing from you as to when we can expect yours,
and will have Zola bring up the Railroad note to you.

Thanks,

[Signature]
Lowe

Lowe

Typical

Ashton

To ZIONS FIRST NATIONAL BANK

[illegible]

(Month) _____ (Day) _____ 19____

| ASSETS | | LIABILITIES | |
|---|--|---|--|
| Cash on hand and in Banks | | Notes payable to Banks — Secured | |
| U. S. Gov. Securities — see schedule | | Notes payable to Banks — Unsecured | |
| Listed Securities — see schedule | | Notes payable to relatives | |
| Unlisted Securities — see schedule | | Notes payable to others | |
| Accounts and Notes Receivable Due from relatives and friends | | Accounts and bills due | |
| Accounts and Notes Receivable Due from others — good | | Unpaid Income Tax | |
| Accounts and Notes Receivable Doubtful | | Other unpaid taxes and interest | |
| Real Estate owned — see schedule | | Real Estate Mortgages payable — see schedule | |
| Real Estate Mortgages Receivable | | Chattel Mortgages and other Liens payable | |
| Automobiles and other Personal Property | | Other debts — itemize | |
| Cash Value — Life Insurance | | | |
| Other assets — itemize | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | TOTAL LIABILITIES | |
| | | NET WORTH | |
| TOTAL ASSETS | | TOTAL LIAB. & NET WORTH | |

| SOURCES OF INCOME | | PERSONAL INFORMATION | |
|------------------------|----|---|------------|
| Salary | \$ | Business or occupation | Age |
| Bonus and Commissions | \$ | Partner or officer in any other venture | |
| Dividends | \$ | | |
| Real Estate Income | \$ | Married | Children |
| Other income — itemize | \$ | Single | Dependents |
| TOTAL | \$ | | |

| CONTINGENT LIABILITIES | | GENERAL INFORMATION | |
|---------------------------------------|----|---|--|
| As endorser, comaker or guarantor | \$ | Are any assets pledged? — see schedule | |
| On leases or contracts | \$ | Are you defendant in any suits or legal actions? | |
| Legal claims | \$ | Personal Bank Accounts carried at | |
| Provision for Federal Income Taxes | \$ | Have you ever taken bankruptcy? Explain: | |
| Other special debt | \$ | | |

Form 368 4-60 2500

SCHEDULE OF U. S. GOVERNMENTS, STOCKS AND BONDS OWNED

| No. of shares or Face value (Bonds) | Description | In name of | Market value |
|---|-------------|------------|--------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

SCHEDULE OF REAL ESTATE MORTGAGES RECEIVABLE

| Description of Property covered | Date of Acquisition | In name of | Amount | Maturity |
|------------------------------------|------------------------|------------|--------|----------|
| | | | | |
| | | | | |
| | | | | |

SCHEDULE OF REAL ESTATE OWNED

| Description of property and Improvements | Date Acquired | Title in Name of | Cost | Market Value | Mortgage | |
|---|------------------|---------------------|------|-----------------|----------|----------|
| | | | | | Amount | Maturity |
| | | | | | | |
| | | | | | | |
| | | | | | | |

SCHEDULE OF LIFE INSURANCE CARRIED, INCL. N.S.L.I. AND GROUP INSURANCE

| Amount | Name of Company | Beneficiary | Cash Surrender Value | Loans |
|--------|-----------------|-------------|-------------------------|-------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

SCHEDULE OF ASSETS PLEDGED

| Description | Value | To Whom Pledged |
|-------------|-------|-----------------|
| | | |
| | | |
| | | |

GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

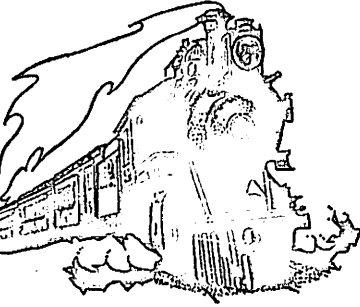
| Name | Date | High credit | Basis |
|------|------|-------------|-------|
| | | | |
| | | | |
| | | | |
| | | | |

THE UNDERSIGNED CERTIFIES THAT BOTH SIDES HEREOF AND THE INFORMATION
INSERTED THEREIN HAS BEEN CAREFULLY READ AND IS TRUE AND CORRECT.

Date signed

19

Signature



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

4 March 1974

TO: Board of Directors

FROM: Lowe Ashton

SUBJECT: Concession Agreement

Attached is a rough draft of a concession agreement for the diner/
lounge concept.

Please be prepared to make recommendations, changes, additions, etc.,
at our meeting March 7, 1974. We need to finalize this if we expect
to operate by mid-May.

CONCESSION AGREEMENT

THIS AGREEMENT made this _____ day of _____, 1974,
between HEBER CREEPER, INC. , a Utah Corporation hereinafter referred to
as "CREEPER", and DELBERT WALLENGREN, of Heber City, Utah, hereinafter
referred to as "WALLENGREN".

RECITALS

1. CREEPER is the operator of a scenic steam railway between
Heber City and Bridal Veil Falls, in Utah County, pursuant to a
concession from the Department of Parks and Recreation, State of Utah.

2. Wallengren desires to obtain from Creeper the right to
operate a dining car as part of at least one daily excursion run on
the railway and to operate a nightclub-dining car as part of scheduled
and special evening excursion runs.

3. CREEPER is willing to grant Wallengren such rights consistent
with the terms of its concession from the Department of Parks and
Recreation and upon the further terms and conditions stated herein.

AGREEMENT

1. Concession and Term. CREEPER hereby grants to Wallengren a concession for the operation of a dining car as a part of its daily excursion run or runs and a nightclub (lounge) and dining car as a part of evening excursion runs, together with the use of the name "Heber Creeper" and the goodwill of Creeper for a term to commence on May 1, 1974 and to end of October 15, 1974, together with right of first refusal if the Creeper Board of Directors elects to offer the concession for subsequent season or seasons. If Wallengren is not granted the concession at the end of the first or any season, Creeper will purchase his leasehold improvements under terms outlined in Section 10 of this agreement. Because of the long range implications of operating a lounge/diner in a highly successful manner, the term of the first and subsequent seasons will be subject to a judgment decision of the majority of the Board of Directors as to performance on the part of Wallengren as a condition of continuing the agreement.

2. Payments. Wallengren agrees to make payments to Creeper in accordance with the following schedule:

A. Seven (7) per cent of gross receipts after sales tax from all goods and services offered in connection with the operation of the dining and lounge cars on daily and evening excursion runs.

B. A minimum payment of \$4.00 per customer served by Wallengren on diner or lounge cars operated as part of daily and evening excursion runs. Provided, however, that if general fare increases are approved by the Public Service Commission, Wallengren agrees to pay to Creeper a corresponding increase in the minimum charge for each customer.

C. Wallengren shall pay to Creeper the cost of services performed by Creeper in connection with Wallengren's concession, including but not limited to the handling of refuse, fueling and servicing, provision of water and removal of waste materials, servicing of fuel tanks, refrigerators and generators. Costs for any and all such services shall be agreed upon in advance of the performance of such services and be based on time and materials costs to Creeper.

All payments required hereunder shall be due and payable within thirty (30) days after the end of each calendar month in which operations are conducted by Wallengren pursuant to this agreement. Wallengren agrees to maintain adequate records separate from other operations Wallengren may engage in relating to the operation of this concession

and to permit the reasonable inspection of such books and records by Creeper upon their request during regular business hours.

3. Operation of Concession: Wallengren agrees to use and occupy the dining and nightclub (lounge) cars in connection with the preparation and service of food and the providing of entertainment for customers, and for no other purpose. Wallengren agrees not to compete with Creeper in the sale of various railway novelty items which are now being sold or may be sold by Creeper. In addition, Wallengren agrees to submit to Creeper complete plans for interior decoration of the dining and nightclub (lounge) cars and agrees that such plans shall be in harmony with the basic theme that Creeper desires to implement and maintain. Wallengren will furnish Creeper with a detailed time schedule for planned restoration and decoration and warrants to Creeper to complete such schedule prior to May ____ 1974. Wallengren also agrees to provide Creeper with detailed lists of equipment, materials and labor/installation costs supported by invoices to enable ² accurately ~~determine~~ Wallengren's investment in leasehold improvements.

4. Minimum Operations: Wallengren agrees to provide the food and services for one dining car for at least one daily excursion run scheduled by Creeper. In addition, Wallengren agrees to provide food and service for one dining and one nightclub (lounge) car for at least two evening excursion runs per week during the regular operating season of Creeper. The nightclub train will consist of not less than one diner, one converted hospital car to be used as a lounge car, one chair car, one open air chair car and a caboose or other combination of cars suitable for seating dining/lounge patrons. Additional cars may not be added without prior approval of Creeper. All food, materials, and services to be furnished by Wallengren shall be ready at least thirty (30) minutes in advance of the published departure times of the regular excursion runs. In the event Wallengren desires to add additional cars to any excursion run, Wallengren shall notify Creeper at least six (6) hours prior to departure. Wallengren and Creeper shall mutually agree as to the placement of the dining cars in the sequence of cars making up the railway train.

5. Wallengren Warranties:

A. Wallengren assumes all responsibility for operation of the concession and will at his own expense conform with all laws and regulations of all Federal, State and Municipal Governments and appropriate departments, commissions, boards and offices thereof, and particularly with the orders and regulations of the Board of Health and the Public Service Commission of the State of Utah.

B. Wallengren acknowledges that he is engaged as an independent contractor in the operation of the concession and that he will exercise full control and supervision over all said operations.

C. Wallengren will pay all bills for labor and material required in the interior decoration of the lounge car and to personally supervise the restoration, cleaning and decoration of the diner car and the hospital car.

D. Wallengren shall exonerate, indemnify and hold harmless Creeper from and against, and shall assume all responsibility for payment of all Federal, State and Local taxes or contributions imposed or required under employment insurance, social security and income tax laws, with respect to Wallengren's employees engaged in the operation of the concession.

E. Wallengren, at his own expense, will insure and keep insured the dining ^{and lounge} cars and the equipment and fixtures in such reasonable amounts and against such normal risks as may be required by Creeper, the Public Service Commission, the Division of Parks and Recreation, State of Utah, and the insurance company of Creeper.

F. Wallengren warrants to clean and maintain the interior of the diner and lounge cars throughout the operating season.

G. Wallengren agrees to match on a dollar for dollar basis, advertising and promotion expenditures of Creeper when such expenditure is directed to promotion of the dining/lounge car concept. If such advertising is in part directed to the dining/lounge car concept, matching dollars will be prorated against total expense on an area or time basis.

6. Creeper Warranties:

A. Creeper agrees to maintain and paint the exterior and to keep in good repair all machinery, equipment and fixtures necessary to the operations of the scenic steam railway.

B. Creeper agrees to provide a reservation service for Wallengren at the ticket office and depot maintained by Creeper.

C. Creeper agrees to use its best efforts to obtain approval of this concession agreement by all necessary authorities, including the Public Service Commission, State of Utah and the Department of Parks and Recreation, State of Utah.

D. Creeper warrants to equip the dining car and lounge car with independent power sources to drive the generators on both the cars to supply them with electrical power.

E. Creeper warrants to secure additional diner chairs to bring the total to forty-eight (48) and to perform necessary minor repair, cleaning, etc., to enable use of diner.

F. Creeper agrees to prepare the hospital/lounge car as follows:

(1) Remove existing seats and seat foundations in the center section and the section immediately forward of the center restroom and sterilization room section.

(2) Remove restroom and sterilization room partitions and plumbing flush with the floor, walls and ceiling.

(3) Replace broken window.

(4) Remove wall brackets.

(5) Place screens on sliding windows.

7. Advertising and Preservation of Goodwill: Wallengren will protect and preserve the name and goodwill of "Heber Creeper" and/or "Wasatch Mountain Railway and Development Company" and shall submit in advance of its use any advertising material used by Wallengren in connection with its concession for the consent of Creeper.

8. Assignment: Wallengren may not assign, mortgage or encumber this concession without the written consent of Creeper.

9. Limitations: It is understood and agreed by the parties hereto that this concession agreement will not become effective until approved by the Division of Parks and Recreation, State of Utah, and the Public Service Commission, State of Utah, which Wallengren and Creeper agree to use their best efforts to obtain.

10. Termination of Agreement: If Wallengren shall be found to be in violation of any terms of this agreement or if the parties to the agreement shall decide to terminate the agreement, appropriate written notice shall be served and Creeper agrees to purchase leasehold improvements provided by Wallengren. Such improvements shall be valued at cost less depreciation on a four (4) year schedule. A "season" (Memorial Day through Labor Day) shall constitute a year for purposes of depreciation.

11. Entire Agreement: This agreement contains the entire understanding between the parties. Any modification or change of the terms of this agreement must be made in writing and signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this agreement on the day and year first above written.

HEBER CREEPER, INC.

BY: _____
LOWE ASHTON, President

DELBERT WALLENGREN
